



Arnold Schwarzenegger
Governor

October 21, 2010
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Ms. Abigail Emerson, Career Development Manager
Jewish Vocational Service
225 Bush Street, Suite 400
San Francisco, CA 94104

Dear Ms. Emerson:

WORKFORCE INVESTMENT ACT
15-PERCENT PROJECT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Jewish Vocational Service's (JVS) administration of its Workforce Investment Act (WIA) Transgender Economic Empowerment Initiative (TEEI) Project. This review was conducted by Ms. Alice Cedillo and Ms. Ann Brito from June 28, 2010 through July 1, 2010. For the program operations portion of the review, we focused primarily on the areas of program administration, participant eligibility, WIA activities, monitoring, if applicable, and management information system/reporting. For the financial management portion of the review, we focused primarily on the areas of accounting systems, expenditures, allowable costs, cost allocation, reporting, cost pools, indirect costs, cash management, internal controls, program and interest income, single audit, if applicable, and property management. For the procurement portion of the review, we focused on procurement competition, cost and price analyses, and contract provisions.

We conducted our review under the authority of Sections 667.400(c) and 667.410(b) (1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by JVS with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations, financial management and procurement.

We collected the information for this report through interviews with JVS representatives and WIA participants. In addition, this report includes the results of our review of sampled case files for participants enrolled in the WIA TEEI Project; a review of JVS' response to Sections I and II of the Program On-Site Monitoring Guide; applicable policies and procedures; and a review of documentation retained by JVS for a sample of expenditures and procurements.

We received your responses to our draft report on September 3, 2010 and September 17, 2010, and reviewed your comments and documentation before finalizing this report. Your response adequately addressed findings 1 and 2 cited in the draft report. However, these issues will remain open until we verify the implementation of your stated corrective action plan (CAP) during a future on-site review. Until then, these findings have been assigned Corrective Action Tracking System (CATS) numbers 10162 and 10163.

BACKGROUND

The JVS was awarded \$300,000 to operate a WIA TEEI Project to serve 68 WIA participants from February 1, 2008 through March 31, 2010. For the period ending March 2010, JVS reported that it spent \$300,000 to enroll 71 participants. We reviewed case files for 31 of the 71 participants enrolled in the WIA Project as of June 30, 2010. JVS received additional WIA TEEI Project funds through March 31, 2012.

PROGRAM REVIEW RESULTS

While we concluded that, overall, JVS is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of Job Training Automation (JTA) system reporting. The finding that we identified in this area, our recommendation, and JVS' proposed resolution of the finding is specified below.

FINDING 1

Requirement: WIA Section 185(a)(2) states, in part, that every recipient of funds shall maintain records and submit reports regarding the performance of programs and activities carried out under WIA.

Workforce Services Directive (WSD) 09-8 states, in part, the instructions on how to complete WIA client forms using the JTA system, which includes the follow-up and exit reporting requirements.

Observation: We observed 2 of 31 participant case files in which the participants were exited; however, we did not observe the exit dates in the JTA system.

Recommendation: We recommended that JVS review all exited participant case files, update the JTA reporting system to reflect the actual exit date, and provide a copy to Compliance Review Office (CRO). In addition, we recommended that JVS provide CRO with a CAP stating how JVS will ensure that, in the future, the JTA system will reflect the actual exit dates of participants.

JVS Response: The JVS provided a JTA exit summary printout documenting that all participants had been exited within the appropriate timeframe. The JVS stated when a client is ready to be exited, the employment specialist will submit the exit form to the assigned administrative assistant who will enter the exit in JTA within two working days. The administrative assistant will return the file to the employment specialist who will double-check that the JTA printout is in the file and that the dates on the handwritten form correspond with the JTA printout.

State Conclusion: The JVS' stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, JVS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 10162.

FINANCIAL MANAGEMENT REVIEW RESULTS

We concluded that, overall, JVS is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

While we concluded that, overall, JVS is meeting applicable WIA requirements concerning procurement, we noted an instance of noncompliance in the area of cost or price analysis. The finding that we identified in this area, our recommendation, and JVS' proposed resolution of the finding is specified below.

FINDING 2

Requirement: 29 CFR 95.45 states, in part, that some form of cost or price analysis shall be made and documented in the procurement files with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations, market prices and similar indicia, together with discounts.

Observation: We observed two small purchases that did not contain a cost or price analysis. One purchase for Simma Lieberman for \$1,700 included a letter from a competitor, but no price for services was indicated. The second purchase for Out Of Thyme Catering for \$361.62 included a copy of another catering lunch menu, but no cost analysis was performed.

Recommendation: We recommended that JVS provide CRO with a CAP stating how it will ensure that, in the future, small purchases will contain documentation that a cost or price analysis was performed for every procurement action.


JVS Response: The JVS provided a copy of a memo sent to all JVS managers about the new procurement process. The memo stated effective September 3, 2010, JVS will be using a centralized purchasing process for all supplies and services that will show a cost or price analysis for all purchases going forward. The JVS also stated that managers will need to sign off on all cost analysis forms before proceeding with a purchase.

State Conclusion: The JVS' stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, JVS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 10163.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is JVS's responsibility to ensure that its systems, programs, and related activities comply with the WIA-related federal regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain JVS's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Cynthia Parsell at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Natalie Berg, Board of Directors President
Kamara Aguiar, MIC 50
Kathy Meyer, MIC 50